

**BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE**

**American Family Life Assurance  
Company of Columbus  
Respondent**

**1932 Wynnton Road  
Columbus , GA 31999**

**NAIC No.: 60380**

**FILED**

JUL 10 2009

STATE OF MISSISSIPPI  
DEPT. OF INSURANCE

The Indiana Department of Insurance (“Department”) and American Family Life Assurance Company of Columbus ("Aflac"), (“Respondent”), an insurance company licensed to do business in Indiana, signed an Agreed Entry which purports to resolve all issues surrounding Aflac's Medicare Supplement premium rate increases for policy forms A-19000 and A-19800 in Indiana during the period from 2003 to 2009, and which has been submitted to the Commissioner of Insurance (the “Commissioner”) for approval.

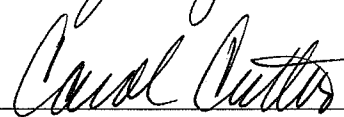
The Commissioner, after reviewing the Agreed Entry, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry as if fully set forth as attached as Exhibit A herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Commissioner  
of Insurance:

1. Aflac will not implement the premium rate increase approved by the Department in 2008 for Indiana in force policies under policy forms A-19000 and A-19800.

2. Aflac will not implement the premium rate increase approved by the Department in 2009 for Indiana in force policies under policy forms A-19000 and A-19800 until January 1, 2010.
3. The premium rate increase to be implemented on January 1, 2010 will be implemented on that date for all then in force Indiana policies under policy forms A-19000 and A-19800 so that all such Indiana in force policies will receive premium rate increases at renewal of each policy.
4. All future premium rate increases approved by the Department for policy forms A-19000 and A-19800 will be implemented for all then in force policies as of January 1 of each year.
5. Only one premium rate increase will be implemented each policy year for policies under policy forms A-19000 and A-19800.
6. Aflac will continue to monitor its computer implementation procedures to ensure that the above commitments in paragraphs 3 through 7 are achieved.

ALL OF WHICH IS ORDERED this 10<sup>th</sup> day of July 2009.

  
\_\_\_\_\_  
Carol Cutter, Commissioner  
Indiana Department of Insurance

Distribution:

Nikolas P. Mann  
**INDIANA DEPARTMENT OF INSURANCE**  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

**American Family Life Ass. Co. of Columbus  
1932 Wynnton Road  
Columbus , GA 31999**

**Baker & Daniels  
Attn: RichardFreije  
300 N. Meridian St, Ste 2700  
Indianapolis IN 46204**

STATE OF INDIANA  
COUNTY OF MARION

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BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 7000-CO09-0601-009

IN THE MATTER OF:

American Family Life Assurance  
Company of Columbus  
Respondent

1932 Wynnton Road  
Columbus, GA 31999

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JUL 10 2009

STATE OF INDIANA  
DEPT. OF INSURANCE

#### AGREED ENTRY

This Agreed Entry is executed by American Family Life Assurance Company of Columbus ("Aflac") and Nikolas P. Mann, Attorney, Chief of Investigations Enforcement Division for the Indiana Department of Insurance (the "Department") to resolve all issues surrounding Aflac's Medicare Supplement premium rate increases for policy forms A-19000 and A-19800 in Indiana during the period from 2003 to 2009. This Agreed Entry is subject to the review and approval of the Commissioner of the Indiana Department of Insurance.

WHEREAS, Aflac is a Nebraska domiciled insurance company with its principal place of business in Columbus, Georgia;

WHEREAS, Aflac has a Certificate of Authority in the State of Indiana, which, among other lines of business, permits Aflac to issue and administer Medicare Supplement policies in Indiana, including policy forms A-19000 and A-19800;

WHEREAS, as of December 31, 2008, there were 229 policies in force in Indiana under policy forms A-19000 and A-19800;

WHEREAS, in 2003, 2004, 2005, 2006, 2007, 2008 and 2009 Aflac filed with the Department and received approval for premium rate increases for policies in force in Indiana under policy forms A-19000 and A-19800;

WHEREAS, because of an inadvertent computer error the premium rate increases for 2003, 2004, 2005, and 2006 were not implemented until the period 2007 through 2008 for the then in force policies;

WHEREAS, the Department received a consumer complaint from one of Aflac's policyholders concerning the premium rate increases and has reviewed the circumstances concerning the premium rate increases in Indiana generally for policy forms A-19000 and A-19800;

WHEREAS, Aflac has not implemented any premium rate increases approved in 2008 and 2009;

WHEREAS, Aflac has made adjustments to its computer systems designed to avoid the inadvertent computer error referenced above; and

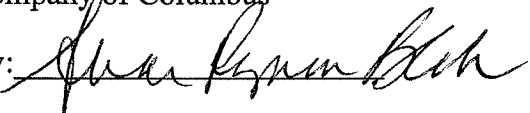
WHEREAS, Aflac and the Department wish to resolve all issues concerning Aflac's Medicare Supplement premium rate increases for policy forms A-19000 and A-19800 in Indiana during the period from 2003 to 2009.

IT IS, THEREFORE, NOW AGREED by the parties as follows:

1. The Commissioner has subject matter jurisdiction over the matters at issue in connection with this Agreed Entry and personal jurisdiction over Aflac.
2. This Agreed Entry is executed voluntarily by the parties.
3. Aflac will not implement the premium rate increase approved by the Department in 2008 for Indiana in force policies under policy forms A-19000 and A-19800.
4. Aflac will not implement the premium rate increase approved by the Department in 2009 for Indiana in force policies under policy forms A-19000 and A-19800 until January 1, 2010.
5. The premium rate increase to be implemented on January 1, 2010 will be implemented on that date for all then in force Indiana policies under policy forms A-19000 and A-19800 so that all such Indiana in force policies will receive premium rate increases at renewal of each policy.
6. All future premium rate increases approved by the Department for policy forms A-19000 and A-19800 will be implemented for all then in force policies as of January 1 of each year.
7. Only one premium rate increase will be implemented each policy year for policies under policy forms A-19000 and A-19800.
8. Aflac will continue to monitor its computer implementation procedures to ensure that the above commitments in paragraphs 3 through 7 are achieved.
9. Aflac understands that failure to comply with this Agreed Entry may result in further administrative actions by the Department.
10. The Department agrees to accept Aflac's compliance with the terms of this Agreed Entry as a full resolution of this matter.
11. Aflac has carefully read this Agreed Entry and fully understands and accepts its terms.
12. Aflac has been represented by counsel, Richard Freije, Baker & Daniels.

Date: 6/5/09

American Family Life Assurance  
Company of Columbus

By: 

Name: SUSAN RYNEARSON BLANCK

Its: SENIOR VICE PRESIDENT AND  
CORPORATE ACTUARY

Date: 6/11/09



Nikolas P. Mann  
Attorney, Chief of Investigations  
Enforcement Division  
Indiana Department of Insurance

STATE OF GEORGIA       )  
  ) SS:  
COUNTY OF MUSCOGEE )

Before me a Notary Public for Muscogee County, State of Georgia, personally appeared  
**SUSAN RYNEARSON BLANCK**, and being first duly sworn by me upon his/her oath, says  
that the facts alleged in the foregoing instrument are true.

Signed and sealed this 5<sup>th</sup> day of June, 2009.

Dixie K. Brown  
Signature

Dixie K. Brown  
Printed

My Commissioner expires: **March 21, 2011**

County of Residence: **Muscogee County**